does not affect Bank's wilingness to provide support to other sectors, including the energy sector, where free power is not a relevant issues for the Bank.

(c) The Bank has its own approach for lending.

The Electricity Act, 2003 provides that the State Electricity Regulatory Commissions have the powers to fix tariff for sale of electricity to consumers. However, if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Electricity Regulatory Commissions (SERCs), the State Government shall pay to the concerned utility/licensees the full amount required to compensate the grant of subsidy. Thus the matter of providing subsidy in tariff to a class of consumers is exclusively in the domain of the State Government.

Shortage of power due to low rainfall

2324. SHRIMATI S.G. INDIRA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the low rainfall during this monsoon could result in a marginal power shortage in the country;

(b) if so, the details thereof;

(c) whether it is also a fact that the Government are considering to encourage more projects to enhance the generation capacity by 1,00,000 MW by 2012;

(d) if so, the details thereof; and

(e) whether it is also a fact that by September 16 projects with a total capacity of 12,000 MW would have achieved financial closure?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) Generation from hydro power stations is dependent upon the pattern of rainfall in the catchment areas and reservoir level/inflows in the reservoirs of reservoir based hydro power stations. This year, due to inadequate rainfall, generation from hydro power stations has been marginally affected. As against generation target of 33, 737 MUs for the period 1st April 04 to 17th August 2004, hydel geneaation has been 33,001 MUs represent-ing a shortfall of 736 MUs *(i.e.* 2.2%). The shortfall in hydel generation

during the period 1st April to 17th August 2004, accounts for meager 0.33% of the overall generation target during this period.

(c) and (d) to meet the demand of power in the country Central Electricity Authority has estimated the requirement of additional capacity of 1,00,000 MW by 2012. Out of this, a capacity of 41,110 MW has been targeted for being set up in the Tenth Plan and a need based capacity addition of 60769 MW has been tentatively planned to benefits all the States. The details are as under:

Figure in MW

	10th Plan	11th Plan (Tentative)
Central Sector	22832	35793
State Sector	11157	15387.5
Private Sector	7121	9588.5
TOTAL	41110	60769

(e) An Inter Institutional Group (IIG) was constituted in January, 2004 to facilitate financial closure of private sector projects likely to come up in the Tenth Plan. The IIG has provided a forum for interaction amongst pro-moters of power projects, banks and financial institutions and the Ministry of Power. The IIG has been instrumental in bringing about speedy financial closure through better coordination with the relevant agencies. In the past few months, financial closure of nine private sector power projects with an aggregate installed capacity of about 2450 MW involving an investment of (approx.) Rs. 10,000 crores has been facilitated. In addition another eight projects with a total installed capacity of 9082 MW, involving an investment of approximately Rs. 36,000 crores, are being reviewed by the IIG for achieving early financial closure.

P.F.R of hydro electric projects

2325. PROF. ALKA BALRAM KSHATRIYA:
DR. T. SUBBARAMI REDDY:

Will the Minister of POWER be pleased to state:

(a) whether the Central Electricity Authority has prepared preliminary